



DEPARTMENT OF THE NAVY

OFFICE OF THE SECRETARY  
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WASHINGTON DC 20350-1000

SECNAVINST 5420.188F  
ASN(RD&A)  
November 02, 2005

SECNAV INSTRUCTION 5420.188F

From: Secretary of the Navy

Subj: ACQUISITION CATEGORY (ACAT) PROGRAM DECISION PROCESS

Ref: (a) DOD Directive 5000.1 of 12 May 03 (NOTAL)  
(b) DOD Instruction 5000.2 of 12 May 03 (NOTAL)  
(c) SECNAVINST 5000.2C (NOTAL)  
(d) SECNAV Memorandum of 22 Aug 94 (NOTAL)

Encl: (1) Program Decision Principal Advisors  
(2) Program Decision Briefing Guidelines

1. Purpose. To provide policy and process for making Department of the Navy (DON) acquisition category (ACAT) acquisition program decisions. This revision reflects the contents of references (a), (b), and (c). This instruction has been administratively revised and should be reviewed in its entirety.

2. Cancellation. SECNAVINST 5420.188E.

3. Applicability. This instruction applies to all weapon system and information technology (IT) ACAT programs defined by references (a), (b), and (c).

4. Background. As delineated in reference (c), the DON Acquisition Executive (NAE) is the Assistant Secretary of the Navy (Research, Development and Acquisition) (ASN(RD&A)), and is responsible for all research, development, and acquisition conducted in the DON. Program Executive Officers (PEO), Commanders of Systems Commands (SYSCOM Commander), Direct Reporting Program Managers (DRPM), and other ASN(RD&A) designees are responsible, for assigned programs.

5. Policy. A Milestone Decision Authority (MDA) shall conduct milestone reviews for all assigned DON ACAT programs. A Program Decision Meeting (PDM) will be held for Milestone Decisions. A formal review at which a milestone decision is not being made will be referred to as a Program Review (PR). A PR will be held in order to obtain Program Decision Principal Advisor (PDPA) concurrences prior to proceeding to a Defense Acquisition Board

(DAB), Information Technology Acquisition Board (ITAB), Defense Space Acquisition Board (DSAB), or a Defense Acquisition Executive (DAE) Review. Additionally, a PR will be held for any non-milestone decision point such as Full Rate Production Decisions, Full Deployment Decisions for IT Programs, program restructures, DON program status reviews, and any other purpose as directed by the MDA. Enclosure (1) lists PDPAs.

a. ACAT ID and IAM Programs. DON acquisition program managers for ACAT ID or IAM programs shall, unless waived by ASN(RD&A), provide an acquisition program briefing to ASN(RD&A) or designee to coordinate a formal DON position and prepare ASN(RD&A) for an Office of the Secretary of Defense (OSD) DAB, ITAB, or DSAB milestone review. A PR will be held to conduct this DON acquisition program briefing. The PR will be held concurrently with the efforts of the OSD Overarching Integrated Product Team (OIPT) to ready the program for presentation to the MDA who is either the Under Secretary of Defense (Acquisition, Technology and Logistics) (USD(AT&L)), or the Assistant Secretary of Defense (Network, & Information Integration (ASD(NII))). The purpose of the PR is to ensure that there is DON concurrence before proceeding to the OSD level meeting.

b. ACAT IC, IAC, and II Programs. ASN(RD&A) is the MDA for all ACAT IC, IAC, and II acquisition programs under DON cognizance, and may delegate this responsibility as authorized by law and regulations. The PDM is the ASN(RD&A) milestone review forum. When conducting the milestone review, the MDA shall invite each PDPA to attend, or to send an empowered representative.

c. ACAT III and IV Programs. For ACAT III and IV programs, the cognizant PEO/SYSCOM Commander/DRPM/designee, as program MDA, shall chair the milestone review unless reserved by ASN(RD&A) through designation as a special interest program. As it is incumbent upon the MDAs to ensure that each of the competency areas covered by the PDPA listing is invited to each of the PDMs and PRs, an MDA for the ACAT III and IV programs shall either invite individuals representing the PDPA competency who are internal to the MDAs SYSCOM/PEO/DRPM organization or the PDPAs shown in enclosure (1). These individuals/organizations may choose not to attend or they may send an empowered representative to these meetings. Reference (c) provides MDA delegation policy for ACAT III and IV programs.

d. Acquisition Coordination Teams (ACT). Under references (c) and (d), an acquisition coordination team (ACT) shall be



established for each DON ACAT IC, IAC and II program. The ACT shall be co-chaired by the cognizant Deputy Assistant Secretary of the Navy (DASN) or DASN action officer and the Program Manager (PM) or a PM's representative. Prior to the assignment of a PM, the ACT shall be co-chaired by an appropriate resource sponsor (or a resource sponsor's representative). For ACAT ID and IAM programs, an ACT is not required since the ACT role resides with the OSD OIPT, as described in reference (b). ACTs for ACAT III and IV programs are encouraged, but their use is at the discretion of the MDA.

The ACT is a team of stakeholders from the acquisition, requirements/capability, test and evaluation, and planning, programming, budgeting and execution communities who represent the principal advisors to the MDA. In addition to organizations deemed appropriate by the ACT co-chairs or the MDA, the PDPAs shall be invited to participate as ACT members. ACT members shall be empowered and authorized to commit for the organizations they represent, and are responsible for keeping their principals apprised of program status and issues. The ACT does not replace the PM's functional integrated product teams (IPT) and it shall not abrogate the responsibility of the PM nor delay or prevent unresolved issues from being raised to the MDA.

e. Program Decision Brief (PDB). Programmatic status and issues shall be fully addressed and presented at the milestone review by means of a PDB. The PDB documents the program at a specific time and is part of the official program decision record. For ACAT IC, IAC, II, III and IV programs, enclosure (2) provides a list of topics that must be considered for inclusion in the PDB, with the understanding that some of these topics may not be applicable to a particular program. Additional topics may be requested and added by the MDA, PDPAs, the PM, and the ACT. Issues not resolved through the ACT or OIPT forum shall be highlighted in the PDB presentation. Issues that have been resolved need not be specifically addressed in the core presentation, but should be included in the PDB backup material. Additionally, the presentation used at PRs shall also follow the PDB format and content.

f. "Paper" Milestone Reviews and "Paper" Program Reviews. When there are no known unresolved program issues, the MDA may elect to hold a "paper" PDM or PR in lieu of a formal review.

(1) For an ACAT ID or IAM program, a copy of the "paper" PR briefing shall be provided to each of the PDPAs. It shall be each PDPA's responsibility to review, make recommendations, note

any exceptions or unresolved controversial issues, and raise issues to the Executive Secretary (see paragraph 7h).

(2) For an ACAT IC, IAC, or II program, a copy of the "paper" PDM or PR PDB shall be provided to each PDPA in advance of signing the Acquisition Decision Memorandum (ADM) or Program Review Decision Memorandum (PRDM). Each PDPA will have 3-5 business days to review the package and provide comments as necessary or desired. If no response is received within the requested timeframe, concurrence will be assumed. It is each PDPA's responsibility to review the PDB and note any exceptions or unresolved controversial issues.

(3) For an ACAT III and IV program, a copy of the "paper" PDM PDB or a copy of the "paper" PR PDB shall be provided to each PDPA or internal competency representative (as stated in paragraph 5.c) in advance of signing the ADM or PRDM. A similar review timeframe for these organizations (as above in 5.f.2) may be established for these ACAT programs as desired by the individual MDAs. It is each of PDPA's/competence representative's responsibility to review the PDB and note any exceptions or unresolved/controversial issues.

(4) Only under extraordinary circumstances should a PDPA request an individual briefing from the PM in the course of a "paper" PDM or PR. If more than two PDPAs request such a briefing, then the use of a "paper" PDM or PR should be reconsidered since the need for individual briefings may be a good indication of an issue(s) that would benefit from discussion at a formal PDM or PR.

g. Programmatic Milestone Documentation. Program milestone documentation shall be prepared and presented to the MDA not later than the milestone review. Required milestone documentation for ACAT programs is defined in references (b) and (c). Tailoring of milestone documentation format and content for ACAT IC, IAC, II, III and IV programs is discussed in reference (c). The MDA shall approve the streamlined, tailored documentation approach during program initiation and prior to all other Milestones. Any request to revise the approved tailored documentation approach shall require MDA approval. Should circumstances warrant, a milestone review may be held prior to obtaining review, comment and approval on all milestone documentation. In such cases, the PM is responsible for obtaining appropriate review, comment and approval prior to the date acceptable to the MDA, as stated in the ADM.



h. Program Requirements/Capability Documents. The Initial Capabilities Document (ICD), Capability Development Document (CDD), and the Capability Production Document (CPD) shall be validated and approved by the appropriate OPNAV requirements/capability authority before scheduling a milestone review. Milestone reviews are not appropriate for requirements/capability decisions.

i. Acquisition Decision Memorandum and Program Review Decision Memorandum. The MDA shall record program decisions, directions and exit criteria for the next phase of the program in an ADM for each milestone decision. A PRDM will be used to record any decisions or directions given at a PR. The ADM or PRDM should be forwarded to the MDA for approval/signature within two business days following the PDM or PR. A copy of the signed ADM/PRDM shall be distributed to all PDPAs.

## 6. Procedures

a. General. PDMs shall normally be chaired by the MDA. Reference (b) provides direction on milestone review attendance for ACAT ID and IAM programs. As stated in paragraph 5.b, for PDMs and PRs chaired by ASN(RD&A), the PDPAs shall be invited. PDPAs may elect to not attend and may send an empowered individual to represent their organization. Attendance is not mandatory for all these organizations; however, their concurrence is to be assumed if they choose to not attend or do not forward their comments to the Executive Secretary prior to the time of the scheduled PDM or PR. Invitation to these meetings is through the issuance of the Office of the ASN(RD&A) PDM/DAB Calendar. Any additional desired attendance shall be determined on a case-by-case basis by the MDA or responsible DASN. At his/her discretion, the DASN may invite specifically desired organizations. Attendance at these meetings will be recorded. For ACAT III and IV programs, attendance shall be controlled by the MDA.

For ACAT ID and IAM PRs and for ACAT IC, IAC, and II PDMs or PRs, an advance copy of the PDB shall be provided to the appropriate DASN action officer at least seven work days in advance of the PDM or PR. Failure to meet this deadline may result in rescheduling of the meeting. The DASN Action Officer shall distribute an advance copy of the PDB to any PDPA that requests a copy. The PDM Executive Secretary shall act on ASN(RD&A)'s behalf to ensure a coordinated process. Further

milestone review processes for ACAT ID and IAM programs are discussed in references (a) and (b).

b. ACAT ID and IAM Programs. For ACAT ID or IAM programs, the cognizant PEO/SYSCOM Commander/DRPM/designee shall notify ASN(RD&A) when the OIPT considers the program ready for a milestone review. At that time, ASN(RD&A) will decide whether to conduct a formal PR; a "paper" PR, or waive the briefing. In the event of a "paper" PR for ACAT ID or IAM programs, ASN(RD&A) shall:

(1) review the PDB,

(2) review the PR ("paper" or otherwise) results from the cognizant PEO/SYSCOM Commander/DRPM/designee, if held,

(3) review the Commander, Operational Test and Evaluation Force (COMOPTEVFOR)/Director, Marine Corps Operational Test and Evaluation Activity (MCOTEA) test and evaluation (T&E) assessments (as appropriate),

(4) sign appropriate milestone documentation, and

(5) provide guidance to the Department's OIPT representative and the cognizant PEO/SYSCOM Commander/DRPM/designee as the program moves toward its milestone review.

When the PR is held as a formal briefing, it shall be held as described in paragraphs 5 and 6a.

c. ACAT IC, IAC, & II Programs. The cognizant PEO/SYSCOM Commander/DRPM/designee shall notify ASN(RD&A) via the cognizant DASN that the program is ready for a PDM. The cognizant DASN may recommend that ASN(RD&A) conduct a "paper" PDM in the event there are no controversial or unresolved issues.

In the event of a "paper" PDM, ASN(RD&A) shall:

(1) provide copies of the PDB to the PDPAs,

(2) review the PDB,

(3) review the ACT results and recommendations from the cognizant PEO/SYSCOM Commander/DRPM/designee,



(4) review the COMOPTEVFOR or Director, MCOTEA T&E assessments (as appropriate),

(5) review comments received from PDPAs,

(6) approve the appropriate milestone documentation, and

(7) document the milestone decision in an ADM.

When the ASN(RD&A) milestone review is not a "paper" process, a formal milestone review shall be held as described in paragraphs 5 and 6a.

d. ACAT III and IV Programs. The cognizant PEO/SYSCOM Commander/DRPM/designee is responsible for conducting milestone reviews following the general principles of this instruction, except where this instruction provides specific requirements for ACAT III and IV programs.

e. Acquisition Coordination Team. The ACT shall:

(1) identify and resolve issues at the earliest time and lowest level possible to facilitate program execution,

(2) coordinate early and continuously with the PM to develop and implement a tailored acquisition strategy and streamline the acquisition process as feasible, and

(3) review milestone information and documentation and provide a recommendation to the MDA on proceeding to a milestone review, including whether it should be a "paper" or formal PDM.

f. Acquisition Program Briefings. As detailed above, PEOs/SYSCOM Commanders/DRPMs/designees are required to conduct milestone reviews for ACAT III and IV programs and acquisition program briefings for ACAT IC, IAC, and II programs. Procedures for conducting these meetings are at the discretion of each PEO/SYSCOM Commander/DRPM/designee, although they must not conflict with the requirements of this instruction. Several PEOs/SYSCOM Commmander/DRPMs use a forum called an Acquisition Review Board (ARB) to conduct such milestone reviews and acquisition program briefings, and also use the ARB to informally review ACAT ID or IAM programs proceeding to an OSD-level milestone review. The ARB forum may continue to be used for these purposes.

## 7. Responsibilities

a. ASN(RD&A). ASN(RD&A) is the MDA for DON ACAT IC, IAC, II and, if not otherwise delegated, IT ACAT III and IVT programs. ASN(RD&A) may delegate this responsibility as authorized by law and regulation. As the MDA, ASN(RD&A) shall review and approve all appropriate milestone documentation, review the PDB, chair the PDM or PR, and sign the ADM or PRDM. ASN(RD&A) may delegate the responsibility to chair PDMs or PRs. Reference (c) delineates routine delegation of ASN(RD&A) MDA responsibilities.

b. DASN. For ACAT IC, IAC, and II programs, the cognizant DASN is responsible for:

(1) co-chairing or appointing an action officer to co-chair the ACT,

(2) ensuring that tailored milestone documentation is complete and has been submitted to appropriate review and approval authorities prior to scheduling a PDM, per paragraph 5g of this instruction, and

(3) preparing and obtaining signature on the ADM or PRDM preferably within two work days following the PDM or PR. A copy of the signed ADM or PRDM shall be distributed to all PDPAs.

c. Department of the Navy Chief Information Officer (DON CIO). As appropriate, the DON CIO shall:

(1) participate on ACTs and attend PDMs and PRs, and

(2) identify information management/information technology issues involving, but not limited to, architecture, standards, and interoperability, and ensure compliance with the requirements of Division E of the Clinger-Cohen Action of 1996.

d. Chief of Naval Operations (CNO)/Commandant of the Marine Corps (CMC) or designee. CNO/CMC shall:

(1) participate on ACTs and attend PDMs and PRs,

(2) co-chair the ACT prior to assignment of a PM, and

(3) identify and propose solutions to performance capability, funding, affordability, product support, or test and evaluation issues in support of program decisions.



e. PEO/SYSCOM Commander/DRPM/designee. Responsibilities include:

(1) ensuring establishment of ACTs for ACAT IC, IAC, and II programs. (ACTs for ACAT III and IV programs may be formed at the discretion of the MDA),

(2) ensuring all issues have been addressed; resolved issues shall be included in the PDB backup section, unresolved issues shall be included in the core PDB,

(3) chairing acquisition program briefings (e.g., ARBs), for ACAT I, IA and II programs, and documenting the results prior to a PDM or PR with ASN(RD&A),

(4) when serving as MDA, conducting milestone reviews in a manner consistent with this instruction and signing/distributing the ADM or PRDM,

(5) notifying the DASN and Executive Secretary (see paragraph 7.h below) to schedule the milestone review (the PDM) when ASN(RD&A) is the MDA, or to schedule a PR with ASN(RD&A) when USD(AT&L) or ASD(NII) is the MDA, and

(6) publishing, at least monthly, a schedule for all milestone reviews, including "paper" PDMs, and PRs, including "paper" PRs. A copy of this schedule shall be provided to the Executive Secretary.

f. PM. The PM is responsible for:

(1) co-chairing the ACT, when applicable (replaces the CNO/CMC co-chair as described in paragraph 7d),

(2) developing an overall approach to conduct the milestone review,

(3) preparing and presenting the PDB,

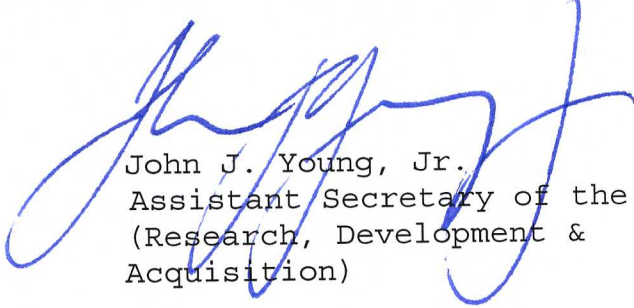
(4) ensuring that appropriate reviews and approvals are obtained on all required milestone documentation in accordance with reference (c) and paragraphs 5.g and 5.h of this instruction, and

(5) when MDA has been delegated to the PM, conducting the PDMs or PRs in a manner consistent with this instruction and signing/distributing the resultant ADM or PRDM.

g. COMOPTEVFOR/Director MCOTEA/IT Testing Agent or designee is responsible for:

- (1) participating as a member of the ACT, when established,
- (2) preparing a briefing that summarizes early involvement and operational testing plans,
- (3) identifying and presenting concerns raised from observation of testing or review of test data and results, and
- (4) presenting operational test results, issues and recommendations at the PDM or PR.

h. Executive Secretary. An ASN(RD&A) staff member shall be appointed Executive Secretary for PDMs and/or PRs chaired at the ASN(RD&A) level. The Executive Secretary shall oversee the milestone review process to ensure uniformity and discipline. The Executive Secretary shall advise ASN(RD&A), cognizant DASN, and the PDPAs regarding process matters or issues and scheduling of PDMs and PRs at the ASN(RD&A) level. The Executive Secretary shall also publish a PDM/DAB calendar (at least monthly) of all scheduled PDMs, PRs, and those DABs/ITABs/DSABs involving Navy programs. In the case of a paper PDM, the Executive Secretary shall coordinate the information with the appropriate DASN.



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## ACAT I, IA and II PROGRAM DECISION PRINCIPAL ADVISORS

## NAVY PROGRAMS

ASN (FM&C)  
 ASN (M&RA)  
 ASN (I&E)  
 NCCA  
 OPNAV Sponsor  
 CNO (N8, N80, N81, N82)  
 CNO (N091)  
 CNO (N1NT)  
 CNO (N4)  
 CNO (N6/N7)  
 OPA  
 COMOPTEVFOR  
 General Counsel of the Navy  
 ASN(RD&A) (DASN)  
 ASN(RD&A) (DASN(M&B))  
 ASN(RD&A) (DASN(Acq Mgt))  
 ASN(RD&A) (DASN(LOG))  
 ASN(RD&A) (Executive Secretary)  
 ASN(RD&A) (DASN Action Officer)  
 HQMC (AC/S C4I)  
 DON CIO

## MARINE CORPS PROGRAMS

ASN (FM&C)  
 ASN (M&RA)  
 ASN (I&E)  
 NCCA  
 USMC Sponsor  
 HQMC (DC PP&O)  
 HQMC (DC I&L)  
 HQMC (DC M&RA)  
 HQMC (DC P&R)  
 HQMC (Director C4)  
 CG, MCCDC (DC CD)  
 Dir, MCOTEA  
 General Counsel of the Navy  
 ASN(RD&A) (DASN)  
 ASN(RD&A) (DASN(M&B))  
 ASN(RD&A) (DASN(Acq(Mgt)))  
 ASN(RD&A) (DASN(LOG))  
 ASN(RD&A) (Executive  
     Secretary)  
 ASN(RD&A) (DASN Action  
     Officer)  
 COMMARCORLOGBASES  
 CNO (N8, N80, N81, N82)  
 DON CIO

## PROGRAM DECISION BRIEFING GUIDELINES

Topic Areas	Milestones/ Decision Reviews				
		A	B	C	FRP DR
A. Purpose and required decision		✓	✓	✓	✓
B. Requirements/capability documents and existing capabilities shortfall		✓ ICD	✓ CDD	✓ CPD	✓
C. Key unresolved issues (e.g., programmatic, legal, cost, schedule, performance, Congressional and/or Office of the Secretary of Defense issues)		✓	✓	✓	✓
D. Acquisition strategy (historical, current and future) (e.g., incentives to reduce development, procurement and support cost; cost-performance tradeoffs; cost as an independent variable (CAIV); international considerations, environmental, safety and health considerations; information technology considerations such as acquisition strategy and contracting approach)			✓	✓	✓
E. Program execution status					
1. Satisfaction of exit criteria		✓	✓	✓	✓
2. Program cost, schedule and performance (program and contract(s)) compared to acquisition program baseline (APB))			✓	✓	✓
3. Test and evaluation (includes program manager and operational test agency positions)		✓ TES	✓	✓	✓
4. Affordability (funding profile and anticipated cost (Future Years Defense Plan plus outyears))			✓	✓	✓
5. Life-cycle acquisition logistics support			✓	✓	✓



## PROGRAM DECISION BRIEFING GUIDELINES (continued)

Topic Areas	Milestones/ Decision Reviews				
		A	B	C	FRP DR
F. Documentation status		✓	✓	✓	✓
G. Information technology statutory compliance (e.g., compliance with the Information Technology Management Reform Act (ITMRA)/Clinger-Cohen Act, Government Performance and Results Act (GPRA), and the Paperwork Reduction Act (PRA))		✓	✓	✓	✓
H. Net overall risk assessment		✓	✓	✓	✓
I. Treaty compliance			✓	✓	✓
J. Industrial base			✓	✓	✓
K. Recommendations					
1. Exit criteria for next phase		✓	✓	✓	✓
2. Other recommendations		✓	✓	✓	✓

## PROGRAM DECISION BRIEFING GUIDELINES (continued)

Suggested Backup Topic Areas	Milestones/ Decision Reviews				
		A	B	C	FRP DR
A. Congressional and OSD guidance or requirements		✓	✓	✓	✓
B. Commercial and non-developmental items evaluation/status			✓	✓	✓
C. Alternatives assessed and results					
1. Alternatives and life cycle costs		✓	✓	✓	✓
2. Joint/international program potential		✓	✓	✓	✓
3. Most promising alternative and rationale (including supporting affordability analysis)		✓	✓	✓	✓
4. Information technology performance measurements		✓	✓	✓	✓
5. Information technology (IT) capital investments		✓	✓	✓	✓
D. Cost drivers and major trade-offs expected in the next phase		✓	✓	✓	✓
E. Plans to reduce risk					
1. Design/test/manufacturing issues		✓	✓	✓	✓
2. Cost, schedule, performance risk management plans		✓	✓	✓	✓
F. IT statutory compliance					
1. Functional issues					
(a) Outsourcing analysis (e.g., summarize analysis that refutes notion that function to be supported by the system should be performed by the private sector)		✓			
(b) Business process reengineering (e.g., summarize the process analysis/reengineering performed in advance of automation)		✓	✓	✓	



## PROGRAM DECISION BRIEFING GUIDELINES (continued)

Suggested Backup Topic Areas	Milestones/ Decision Reviews				
		A	B	C	FRP DR
F. IT statutory compliance (continued)					
1. Functional issues (continued)					
(c) Performance measurement (e.g., cite the specific goals and objectives in the current Department of the Navy (DON) Performance Plan which this system will help to achieve, and performance measures which will be used to track progress and to measure the impact of IT on the business function)		✓	✓	✓	✓
2. Overview of relationships and consistency with the DON IT strategic plan (e.g., specific contribution to achieving goals and objectives in DON IT strategic plan)		✓	✓	✓	✓
3. Technology aspects:					
(a) IT integrated architecture					
(1) design, operational environment and consistency with DOD and DON common operating environment and common data environment			✓	✓	✓
(2) use of data management, and planned methods to accomplish interoperability			✓	✓	✓
(3) expected use of shared computing platforms or commercial computing resources			✓	✓	✓
(4) telecommunications (e.g., expected use of local area networks, Defense Data Network, or special purpose telecommunications)			✓	✓	✓

## PROGRAM DECISION BRIEFING GUIDELINES (continued)

	Milestones/ Decision Reviews				
		A	B	C	FRP DR
<b>Suggested Backup Topic Areas</b>					
3. Technology aspects: (continued)					
(b) Security/information assurance (indicate sensitivity range of information processed, threat analysis and planned security protection strategy)		✓	✓	✓	✓
4. Deployment strategy/status			✓	✓	✓